

**Request for Proposals**  
**Redevelopment of Old Post Office**  
**Washington, D.C.**

March 24, 2011  
U.S. General Services Administration  
Public Buildings Service  
National Capital Region

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### **Appendices**

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3/17/09

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## **I. Introduction**

U.S. General Services Administration's ("GSA") National Capital Region ("NCR") is pleased to issue this Request for Proposals ("RFP") for the redevelopment of the Old Post Office building, land and Pavilion Annex ("OPO"), a property listed in the National Register of Historic Places and located at 1100 Pennsylvania Avenue, NW, in the District of Columbia under the jurisdiction, custody and control of GSA.

This redevelopment of the OPO offers a unique opportunity for the private sector to collaborate with the public sector to redevelop federally owned property for private sector redevelopment and use through the enactment of Old Post Office Building Redevelopment Act of 2008 PL 110-359 (HR 5001) ("the Act") and Section 111 of the National Historic Preservation Act of 1966 (NHPA) ("Section 111"), which allows GSA to enter into leases for assets listed on the National Register of Historic Places.

The Act directs the Administrator of General Services Administration to provide for the redevelopment of the OPO, including any improvements thereon and specifically including the Pavilion Annex in accordance with existing authorities available to the Administrator and consistent with the redevelopment plan previously approved by the Committee on Transportation and Infrastructure of the House of Representatives and the Committees on Appropriations and Environment and Public Works of the Senate. (See attached Exhibit A).

The Preferred Selected Developer ("PSD") will be responsible for the restoration, rehabilitation, preservation and/or adaptive use of the OPO, as well as management and operations.

The OPO, located in the heart of the Federal Triangle on Pennsylvania Avenue, NW in Washington, D.C., offers tremendous potential for redevelopment with its historic character, unique architecture and urban position. As indicated by growing public and private interest, the OPO is poised for redevelopment.

### **A. GSA's Vision and Goals**

GSA, in redeveloping the OPO, envisions an opportunity to enhance the value of the asset to the United States in accordance with the Act which directs GSA to seek proposals and enter into a lease agreement with a developer while meeting its goals to:

- leverage the expertise of the real estate industry to reposition the OPO as a viable asset;
- preserve the historic integrity of this unique and important asset;
- put the OPO to its highest and best use;
- provide a lucrative financial return to the Government;
- provide for public access; and
- contribute to the vitality of Pennsylvania Avenue, the Federal Triangle and the District of Columbia.



## **B. Facilitating the Project**

GSA is taking the following steps to facilitate the process.

- GSA has established a formal selection process in which the RFP specifies the specific selection criteria for the most highly qualified developer (identified as the PSD) to redevelop the OPO;
- GSA is responsible for complying with the National Environmental Policy Act ("NEPA") and has initiated the NEPA process through the distribution of scoping letters that invite early comments from stakeholder agencies and interested parties. GSA will be preparing an Environmental Assessment ("EA") for the project. All information pertaining to the EA will be posted on [www.gsa.gov/ncrnepea](http://www.gsa.gov/ncrnepea);
- GSA is responsible for complying with Section 106 of the National Historic Preservation Act ("NHPA"). In accordance with NHPA and its implementing regulations, 36 CFR Part 800, GSA is required to consult with the DC State Historic Preservation Officer ("SHPO") and other interested parties to consider the effects of the OPO redevelopment. GSA, with the PSD, will enter into a Programmatic Agreement ("PA") or Memorandum of Understanding ("MOU") with the SHPO, which may include a historic covenant for the long term preservation of the historic integrity of the property;
- GSA commissioned a below-grade pile study, due to concerns that the structural integrity of the timber piles had been compromised as a result of deterioration due to groundwater drawdown, to assure GSA the piles are sound and can bear the current load upon it. The study reassures GSA on both accounts. Exhibit H.2010 Timber Pile Foundation Investigation URS March 2011.
- GSA will rely on market-analysis based responses to its solicitation to help determine the highest and best use; and
- GSA has created a web site at <http://www.gsa.gov/oldpostoffice> to provide the public with project information.

## **C. Developer Selection**

The selection process will be carried out in accordance with the evaluation criteria and procedures outlined in this RFP.

The RFP process solicits comprehensive and detailed proposals which will demonstrate the experience and past performance of the developer and developer's key personnel, developer's site plan and design concept, developer financial capacity and capability and developer's financial offer with supporting financial information that will clearly delineate the transaction structure as the overall basis for the selection of the submission that best meets GSA's criteria. GSA will then negotiate and execute a Lease Agreement ("LA"), under Section 111 of the NHPA, with the PSD.



## II. The Opportunity

Redevelopment of the OPO will be the responsibility of the PSD, with oversight by GSA, in accordance with Public Laws and other guidance. This section briefly outlines GSA's overarching role in the redevelopment and provides information on the legal and regulatory context for the project.

### GSA's Rights, Role and Responsibilities:

- GSA will continue to exercise custody of the OPO on behalf of the Federal government;
- GSA will lease the OPO in "AS IS, WHERE IS" condition. The final terms of the relationship will be contained in a lease agreement to be executed by the parties.

GSA commissioned a below-grade timber pile study, due to concerns that the structural integrity of the timber piles had been compromised as a result of deterioration due to groundwater drawdown, to assure GSA the piles are sound and can bear the current load upon it. The study reassures GSA on both accounts.

The study states that there is a percentage of primary columns (16) that have reached their load capacity and a preponderance of primary columns (60) that can accept additional load. The study also states "Any proposed future changes in loading should be evaluated and determined acceptable by both the structural and geotechnical Engineers of Record" for any proposed future changes. See Exhibit H.;

- Throughout the term of the LA, GSA will remain an active steward of the historic property, ensuring that its lessee operates the OPO in accordance with the terms of the LA;
- GSA is responsible for complying with NEPA;
- GSA is responsible for conserving and maintaining the existing Art in Architecture commission installed in the atrium – *48 Shadow Planes*, by Robert Irwin, 1983 Exhibit I;
- GSA is initiating a schedule to allow redevelopment/construction to commence in 2014;
- GSA is responsible for complying with NHPA and will facilitate the review of the PSD's redevelopment plans in compliance with Section 106 of the NHPA;
- GSA is responsible for ensuring that the PSD provides for public access to the Clock Tower. GSA will continue to provide all operating expenses for the Clock Tower. Exhibit D. Inter-agency Agreement between GSA & the U. S. Department of the Interior;
- During the redevelopment and construction phases, GSA will review and approve all presentation materials, general design and development plans, construction drawings and specifications for compliance with the concept plan as submitted in the RFP and revised in the PA/MOU.



- GSA will monitor for federal compliance the review and approval processes, if any, with, but not limited to, National Capital Planning Commission (NCPC), the Commission of Fine Arts (CFA), District of Columbia Office of Planning (DCOP) and District of Columbia Zoning Commission. PSD is responsible for the production and financial obligation related to the submissions and the review processes.
- The transaction will be structured as an unsubordinated lease.

### III. Overview of the Old Post Office

A. History. The OPO was constructed in the last decade of the 19<sup>th</sup> century, a period of stylistic eclecticism. Originally designed by Willoughby J. Edbrooke, Supervising Architect of the Treasury between 1891 and 1893, the design and construction extended through five different Supervising Architects with occupancy in 1899.

Stylistically, the building has many features similar to designs by H. H. Richardson, and therefore has been characterized as Richardsonian Romanesque. The basic massing of the building was inspired by the large municipal halls of the Italian medieval cities, though its symmetry and exterior details reflect a European academic classical influence.

The OPO is noteworthy among Washington buildings for more than its individuality of style. With the exception of the Washington Monument, it is the tallest building in the city. Its construction incorporated many of the latest technical innovations of the day, such as steel and iron framing, fireproofing and electrical plant. The building encloses a magnificent interior cortile, the largest such uninterrupted space in the city.

Originally housing both the U.S. Post Office Department and the Washington City Post Office, the entire building was turned over to the Federal Department in 1914. Since 1934, the OPO has alternately housed more than fifteen federal agencies.

In the early 1970, local preservationists saved the building from proposed destruction. Subsequently, Congress enacted legislation that allowed both government and commercial enterprise to share federally owned space.

B. Recent History. In 1976, GSA used the Cooperative Use Act to redevelop the lower floors of the OPO and in 1982, GSA entered into a 55-year lease with a master lease holder of the space (109,000 sf) to develop retail shops, food court vendors and restaurants. For a variety of reasons, the objectives for a successful venture were not obtained. This lease was eventually bought out.

In 2000, GSA submitted a redevelopment plan to the House Committee on Transportation and Infrastructure and the Senate Committee on Environment and Public Works. A resolution was passed in May and June 2001 approving the GSA plan with additional provisions.

Currently, the OPO serves as headquarters for the National Endowment for the Arts, the National Endowment for the Humanities, and the Advisory Council on Historic Preservation. The General Services Administration and the National Park Service also have a presence in the building. In total, the federal government currently occupies 225,000 rentable square feet in the building. As the proposed redevelopment will encompass the entire OPO and Annex, these tenants will need to relocate from the building.



the building. As the proposed redevelopment will encompass the entire OPO and Annex, these tenants will need to relocate from the building.

C. Architecture. The OPO building was individually listed in the National Register of Historic Places in 1973 (NR# 73002105) and is identified as a contributing structure within the historic district that is known as the Pennsylvania Avenue National Historic Site (# 66000865). Any planned modifications to the OPO building and the site will be subject to the requirements of the National Historic Preservation Act, in particular the compliance requirements of Section 106 and its implementing regulations, 36 CFR Part 800.

When determining which building and site elements are significant and must be retained, and which do not have significance, the period of significance shall encompass to the time period of the occupancy of the Post Office Department. Alterations and additions to the building and the site since 1979 do not have significance; therefore, substantial modifications and/or replacement may be considered for those elements.

GSA has developed historic preservation zone plans to identify areas by historic and architectural significance. The preservation zones are titled Restoration, Rehabilitation and Renovation. (See Exhibit F).

D. Building Data. The site has 61,433 square feet with federal designation; therefore, not zoned by the District of Columbia. The last major renovation was in 1982 and the building systems exceed their life expectancy.

The OPO has:

- Approximately 400,000 gross square feet;
- Electrical utilities feed from PEPCO transformers in underground vaults located on the Pennsylvania Avenue side of the building;
- Water is supplied from two locations-under the service drive into the south face of the building and from the east side of the building presumably from a Pennsylvania Avenue main line.
- Gas is supplied through the west wall of the building from a main line on 12<sup>th</sup> Street, NW;
- HVAC and domestic hot water are received from a plant in the Internal Revenue Service building south of OPO and the system must be separated at redevelopment of the OPO; and,
- Structure is supported on timber piles capped by heavy timber pile caps supported directly on the piles and encased in concrete. Above the pile caps are pyramid-shape stone pedestals constructed from thick stone slabs which ultimately support the concrete columns of the building. The timber piles are believed not to be treated with preservative chemicals due to the technology used at the time of the building's construction. The basement space is flooded with water. The flooded condition is part of a ground water recharge program to maintain a saturated condition for preservation of the piles. See Exhibit H.

The Annex/East Pavilion has:

- Approximately 113,000 gross square feet;
- Electrical utilities feed from PEPCO transformers underground located in the service drive leading to the building from 12<sup>th</sup> street;



- Water and gas is supplied from 12<sup>th</sup> Street routed under the service drive to the building; and,
- Environmental conditioning of the building is an independent Trane roof top system and domestic hot water is provided by individual heaters at point of use.

#### **IV. Proposed Transaction**

##### **A. Transaction Overview**

GSA intends to enter into a 60-year lease agreement for the land and existing buildings of the OPO with the PSD. The Act directs GSA to convey interests in real property by lease agreement. Developers will be required to construct and finance infrastructure improvements and to price the project value to establish a long-term lease rate. For the lease agreement transaction, the PSD will be required to execute a LA with GSA. The LA will:

- (a) Identify roles and responsibilities of the parties;
- (b) Specify performance criteria such as design quality, securing of project financing commitments and construction start dates; and,
- (c) Address other issues such as limitations of assignability.

The LA shall provide that GSA's consent shall be required for any changes in the key personnel, any material changes to the site plan and design concept, development schedule, and any changes to the financial offer identified by the PSD in the response to this RFP.

The financial offer shall be based on the developer's best building and land price. To insure consistency for evaluation of financial offers, developers are required to furnish discounted cash flow Pro Forma with clear assumptions for hard development costs, along with detailed soft costs to establish a development project cost.

Additionally, Developer shall create an operating Pro Forma (10 years of cash flow with assumed sale in Year 11 at a designated Cap Rate with all proceeds brought back to start date at an agreed upon discount rate). This Pro Forma will show all revenues, the bases and assumptions used to arrive at the projected revenues, including sources and rate assumptions, against expected Operating Expenses to establish the Net Operating Income for the OPO as repositioned. The analysis will show maximum supportable Residual Land Value including an explicit allocation to values for the existing buildings. This Project Value so established will be discounted to present day (date) to establish a Net Present Value (NPV) which shall be the basis for the developer's Financial Offer. Developers must choose and identify their own assumptions for investment returns and capitalization rates.

The Financial Offers will be evaluated based on each developer's pro forma analyses, which will include:

- Pro Forma analyses using a general assumption of a two-year construction period and 10 years of operation for cash flow modeling, with residual sale at the beginning of Year 11, with developer's own assumptions on Capitalization Rate for Residual Sale and GSA recommended 6.0% Discount Rate;
- Developers pro forma will solve for maximum supportable Residual Land and Existing Buildings Values which will become, along with any other additional financial contributions suggested by the Developer, the basis of the Lease Agreement;
- Developer's assumptions for development costs, including a breakdown of major line



items for both hard construction and rehabilitation expenditures and soft costs including financing and developer fees, rental or sale revenues, detailed operating expenses, and any other extraordinary expenses;

- For consistency, GSA has established a 6.00% discount rate to calculate NPV; therefore, 10 year Cash Flow net revenues, including Residual Sale in start of Year 11 are to be discounted at 6.0% in today's dollars to establish NPV ;
- GSA suggests an annual Escalation Rate of 2.5% for consistency; and
- Developer to identify sources and uses of funds, particularly the use of Tax Credits.

#### **B. Land and Existing Buildings Lease Agreement**

Upon designation of the PSD, GSA will enter into exclusive negotiations to establish a mutually agreeable land and building LA for OPO.

The LA, by and between GSA and the PSD, is anticipated to be a long-term lease agreement, with Deferred Participation by GSA due at any lease agreement sale or project refinancing, after an agreed Preferred Return to the developer. The LA will include a deposit, and a series of Base Rent payments adjusted annually by CPI.

The LA will not be subordinated to developer financing, although GSA will permit an assumable LA with adequate notice/cure periods for financing purposes. GSA will retain ownership of the land and buildings and will retain reversionary rights to the land and all improvements at the conclusion of the LA term, and as the same may be extended by mutual agreement of the parties to the LA.

The LA transaction offer shall have the following provisions:

- The Base Lease term shall be 60 years, commencing at execution of LA.
- A deposit set at 2.5% of the NPV of total LA payments is to be paid at time of signing of the Lease Agreement. The deposit is non-refundable in case of developer default or failure to perform.
- Annual Base Rent payments to GSA are to be based on full build out and all available revenues as contributions to the Project Value. The first Annual Base Rent payment is to be made upon commencement of construction but no later than 1 year from date of LA execution;
- Annual Base Rent payment shall be adjusted for CPI annually (assume 2.5% CPI rate for RFP response).
- Deferred Participation – An additional lease payment will be due at lease sale to a third party and/or lease transfer and/or net proceeds derived from any project Re-financing. In any of these cases, GSA will receive an additional Lease payment equal to 15% of the transaction net proceeds, after an agreed specified Preferred Return to the PSD. This additional payment, including the agreed-upon preferred return, shall be negotiated between GSA and the PSD for inclusion in the LA.
- Due to the unknown future dates of any transaction project refinancing, deferred participation proceeds will not be evaluated in the RFP but should be considered by the offerors in their proposals as an integral part of the LA.

#### **C. Conditions of Lease Agreement Transaction Offers**

Prior to final execution of the LA, GSA will require that the PSD have project financing committed, an agreed upon schedule for construction start and to have met design quality standards as referenced below.



The LA transaction is subject to certain performance standards and penalties, to be further detailed in the LA, but in summary will include but not be limited to:

**Minimum Performance Standards -**

- o Design - The design, layouts, selection and use of materials for the development shall effectively employ "design excellence" standards. The design excellence standards will include without limitation:
  1. Sustainable Design. Considers the interrelationship between a building, its occupants, its components and the surrounding environment. Sustainable Design principles address energy efficiency, resource conservation, indoor environmental quality, and efficient building operations and maintenance.
  2. Pedestrian Access. The highest level of pedestrian accessibility within the context of the commercial marketplace with an emphasis on clear and open public accessibility to Pennsylvania Avenue. Support for public use through open spaces with an emphasis on creating a pedestrian-friendly environment at street level.
  3. Architectural Design. The incorporation into the design of both the finest architectural thought and qualities, including overall architectural scale, surface materials and landscaping, which reflect the regional architectural traditions of the Washington, D.C. area and the mid-Atlantic region.
  4. Urban Design/Planning. Respect and support for the PA and the NCPC Legacy Plan, and assurance that the project's design is a complementary addition to the Pennsylvania Avenue corridor and District.
  5. Artwork. Commissioned for the Old Post Office Building atrium, Robert Irwin's *48 Shadow Planes* is site specific artwork with direct relationship between the scrims and the mezzanine window shapes. GSA shall retain ownership and stewardship responsibility to protect the integrity of the artwork. In coordination with GSA's Art in Architecture Program, GSA will work with the Developer to allow for flexibility in the surrounding area of the artwork while maintaining the artist's original vision for the piece.

**D. Financing Plan**

Identification of all equity and debt sources of financing for the OPO project must be provided. For further details, see Section VII-Section 4 Developer's Financial Offer and Supporting Financial Information.

**E. Purchase Price.**

Offerors are required to submit an upfront purchase price (based on their highest and best use), for the Old Post Office building, land and Pavilion Annex ("OPO") inclusive of ownership and cost of operation of the clock tower which must remain open with access to the public. The offer will assume historic preservation requirements by covenant. However, as the OPO is not authorized for sale, this upfront offer will not be evaluated in the OPO RFP process.

**V. Selection Process, Schedule and Evaluation Criteria**

**A. Selection Process**

- Developers will be invited to submit detailed proposals that will include their comprehensive approaches to redevelopment within the framework of GSA's objectives and guidelines for the OPO;



- GSA will consider and may use the RFP responses to determine the scope, phasing and timing of the OPO redevelopment;
- Interviews may be conducted with each of the developers;
- GSA, at its sole discretion, may discuss matters pertaining to the proposals with some or all developers;
- GSA will select the PSD with whom to enter into negotiations for leasing the OPO, based on the criteria outlined in the RFP; and,
- Upon written notification to the PSD, GSA and the PSD will enter into negotiations in order to execute a LA. From the date upon which GSA provides the written notice specified in the preceding sentence, the parties agree to execute a LA within 365 calendar days but, except as otherwise provided, in no event shall the date extend beyond June 2013.
- The written notification to commence with the lease negotiations is different than the Preferred Selected Developer Notification. Should the parties fail to execute a LA within this time period for any reason, the parties may bilaterally agree to an extension of time. Should either party choose to discontinue negotiations for any reason rather than agree to a bilateral extension of time, GSA reserves the right to enter into negotiations with any other developer that submitted a proposal in response to the RFP.
- In the event that the parties' (the PSD and GSA) negotiations fail for any reason to result in the execution of a LA, the PSD agrees to waive any and all causes of action of any kind in law or in equity against GSA arising out of or relating to the negotiations.

#### B. RFP Schedule

The schedule for the selection process is summarized below. Notwithstanding GSA's intent to hold to the schedule, it may be altered at GSA's sole discretion.

RFP Issuance	March 24 2011
Pre-submission Conference and Building Tour	TBD
RFP Response Deadline	July 20, 2011
Development Team Presentations	TBD
Preferred Selected Developer Notification	November 17, 2011
Lease Execution	June, 2013
Notice-to-Proceed/Construction Start	March 1, 2014

#### C. Evaluation Criteria

- GSA will apply the criteria listed below to evaluate responses to the RFP and determine the most highly qualified developer and team.
- GSA will enter into agreements only with developers whose development team members, including the developer, are responsible.
- For purposes of responsibility, GSA intends to follow the standards set forth in 48 C.F.R. 9.104-1.
- The CFR may be found at <http://www.access.gpo.gov>.

#### D. Evaluation Factors

The following factors will be used to evaluate the RFP responses and to select one preferred developer. The evaluation factors are listed below:

1. Experience and Past Performance of Developer & Developer's Key Personnel – 15%
2. Developer's Site Plan and Design Concept – 35%
3. Developer's Financial Capacity and Capability – 15%
4. Developer's Financial Offer and Supporting Financial Information – 35 %

Additional information about these criteria and RFP submission requirements are set forth in Section VI Submission Requirements and Section VII - Proposal Organization and Content.

#### E. RFP Pre-Submittal Briefing and Building Tour.

GSA may schedule a pre-submittal briefing and tour of the OPO for interested parties. Information about the event will be posted on the OPO web site, <http://www.gsa.gov/oldpostoffice>.

#### F. The project web site, <http://www.gsa.gov/oldpostoffice>.

#### G. Questions regarding the RFP shall be submitted in writing by mail, facsimile or email to the Contracting Officer at:

U.S. General Service Administration  
Re: Old Post Office RFP  
301 7<sup>th</sup> Street, SW Room 7660  
Washington, D.C. 20407  
Attn: Kevin Terry, Contracting Officer  
Facsimile: (202) 708-9920  
E-mail: [kevin.terry@gsa.gov](mailto:kevin.terry@gsa.gov)



## **VI. Submission Requirements**

### **A. Submission of Proposals**

The developer must submit one original, unbound copy and nine bound copies of the RFP response, and all submission materials must be submitted on CD that include all forms and attachments. GSA must receive submissions no later than 3 pm on July 20, 2011. GSA reserves the right, in its sole discretion, to consider in the selection process any submissions that it receives after the deadline. The RFP responses must be addressed to:

US General Services Administration  
Re: RFP OPO  
GSA BID ROOM – Room 1065,  
301 D Street, SW  
Washington, DC 20407

The proposal will provide that GSA's consent shall be required to any change in the key personnel, design concept, development schedule, and financial offer in response to this RFP. Any changes to key personnel will require GSA consent, which consent shall not be unreasonably withheld. To be considered, a representative of the developer who is authorized to bind the developer must sign RFP responses. The name, address and telephone number of this individual, who may be contacted during the RFP response evaluation period, must be included in the RFP. All RFP responses must be submitted according to instructions.

### **B. Overview of Submittal Organization and Contents**

#### **Section 1 - Experience and Past Performance of Developer and Developer's Key Personnel**

- a. Developer Identification Information
- b. Developer Organizational Structure
- c. Experience of Developer and References
- d. Identification of Project Development Team
- e. Relevant Experience of Key Management Development Team

#### **Section 2 – Developer's Site Plan and Design Concept**

- a. Concept Narrative
- b. Illustrative Plan

#### **Section 3 – Developer's Financial Capability and Capacity**

#### **Section 4 – Developer's Financial Offer and Supporting Financial Information**

- a. Financial Offer based on highest residual Land and Existing Buildings Value;
- b. Financing Plan with Summary of Sources, Financing Mechanisms and Use of Funds;
- c. Detailed Development Budget including Hard Cost for Building Renovation and fit-out and Soft costs with Developer Fee; and
- d. 10 Year Cash Flow Pro Forma with assumed Sale in Year 11 to establish Lease value.

## VII. Proposal Organization and Content

A. All information requested below must be provided in the developer's response in order for it to be considered in this selection process.

B. RFP responses shall be presented in the following format:

Section 1	Experience and Past Performance of Developer and Developer's Key Personnel
Section 2	Developer's Site Plan and Design Concept
Section 3	Developer's Financial Capacity and Capability
Section 4	Developer's Financial Offer & Supporting Financial Information
Section 5	Developer's Purchase Price

### C. Section Description

#### Section 1: Experience and Past Performance of Developer and Developer's Key Personnel:

Information about the developer that is submitted in response to this section shall be provided for the legal entity that will execute the lease agreement and for at least one of the parties that will control or have financial liability for the project. The standard is met when the developer has provided all information and when the developer and development team members:

- Demonstrate a continuing history of successful project completion and operation; and
- Have performed satisfactorily or better on all relevant projects, as evidenced by favorable references.

#### 1) Developer Identification shall include:

- Developer name and address, including, if applicable, the address of the parent organization and specific location where all work shall be performed;
- Name, address, phone, fax numbers and email addresses of the primary point of contact and the person designated to authorize and bind the developer; and
- Identification of any affiliation or other relationship between the developer and any development company, parent company, subsidiary or other affiliate.

#### 2) Developer's Organizational Structure shall include:

- Names of and contact information for principals;
- Number of employees;
- Annual business revenues;

#### 3) References shall include:



Names, addresses, phone numbers and email addresses of at least four references for each participating principal, partner or co-venture and a letter authorizing each reference to respond to inquiries from GSA.

4) Identification of the Development Team shall include:

- Identify each firm that is a member of the development team, including but not limited to joint venture partners and consultants. The consultants identified should include, but not be limited to, lead architects, historic preservation advisors, economic/financial analysts, engineers, and construction contractors;
- Provide name, address, phone and fax numbers and email addresses of the primary point of contact;
- Organizational chart of the development team;
- Identify the roles of development team members and prior relationships with the developer;

5) Relevant Experience is defined as the execution and operation of development projects over the past ten years with a project cost of \$30 million or more for development, preservation, and/or rehabilitation and \$15 million or more for historic restoration and adaptive re-use projects.

- Developer and Development Team Experience. To demonstrate experience, supplement the information provided by Matrix A with details on three, but no more than five, projects completed over the past 10 years with (a) development cost of \$30 million or more for development, preservation, and/or rehabilitation and/or (b) a total development cost of at least \$15 million for historic restoration and adaptive re-use projects. The developer shall include information about projects in both of these categories to illustrate relevant project experience. For each listed project, provide the following:
  - Narrative project descriptions of no more than two typed, 8 ½" x 11" pages to describe each project including the role of developer and its team members, any unique challenges of the project, and an explanation of how the developer addressed the unique challenges;
  - One exterior photograph of the project;
  - Completed Matrices B and C (See Appendix C);
  - Capital and financing sources; and
  - One reference per project including contact name, telephone and facsimile numbers and email address.



Section 2. Developer's Site Plan and Design Concept. Each developer will describe its concept for redeveloping and operating of the OPO. The written Concept Narrative will outline the developer's proposed site plan and design concept for the OPO site. Additionally, in the narrative, the developer must discuss the design concept, open space configuration, parking, architectural character envisioned, sustainable design (e.g., energy efficiency, resource conservation), infrastructure, and mitigation of environmental impacts, if any, of the redevelopment.

The concept narrative must be submitted separately from the drawings for reproduction purposes, but the text, or selected portions, may be included on the presentation boards at the developers' discretion.

The standard for evaluation is met when the developer evidences a thorough understanding of GSA's Visions and Goals as set forth on Page 1 of this RFP and understanding of the Minimum Performance Standards as outlined in V, Section IV. C:

Developer shall provide all of the following:

A. A Concept Narrative of not more than 10 typed 8 ½ x 11" pages (no less than 11 point font size), outlining the developer's proposed redevelopment, which shall include:

- A discussion of how the concept will meet GSA's Visions and Goals and Minimum Design Performance Standards as outlined in Section IV. C;
- Rationale for why the concept will be successful (e.g. market overview and key factors);
- Enumeration of the proposed use(s) and the general allocation of size and location within the OPO and its annex;
- Brief and generalized overview of how the principal spaces, systems and building elements would be modified for proposed use;
- Land Use Plan;
- Public access for Clock Tower;
- Development timeframe, identifying the length of time estimated to reach key milestones including commencement and completion of design and construction; securing financing and occupancy; and commencing operations; and
- Description of general approach to ongoing management and operations.

B. Illustrative Plan is to be submitted to illustrate the concept narrative. Graphics should not exceed fifteen pages (8 ½" x 11"). Graphics are requested as a way to convey the vision in clear, simple and conceptual terms. An annotated Illustrative Plan (scale 1": 100'), in color, should detail:

- Key building locations;
- Major open space features;



- Landscaping, including integration with streetscape;
- Rehabilitation/historic adaptive reuse versus new construction;
- Streets, proposed parking areas, retail frontages;
- View impact analysis;
- A "Walking Tour" of architectural sketches to illustrate major open spaces, key building features and overall architectural character envisioned in the Illustrative Site Plan. Sketches must illustrate massing, architectural character and details of typical ground level uses and experience, and must cover all key areas of the OPO site. Also, indicate the location and sequence of the Walking Tour sketches on a reduced illustrative site plan;
- Aerial Perspective;
- Site Sections are, at the discretion of the developer, to illustrate major building relationships to open spaces.

Section 3: Developer's Financial Capacity and Capability. Information about the developer's completed projects must demonstrate that the developer's financial and time resources are not overcommitted, and that financial fundamentals are within acceptable industry ranges (e.g., loan to value, financial guarantees, etc.). The objective of this factor is to demonstrate the developer's financial capability to develop this project for which it seeks to qualify.

The standard for evaluation of Financial Capability is met when the developer and its financial/equity partner, if any, demonstrate the expertise to structure and execute financing plans.

To demonstrate the developer's financial capacity and capability to develop the project, provide the following information:

- Composition of developer's current real estate portfolio as of the RFP date (including type of project, amount of building square footage or units owned and/or managed);
- Developer's recent history (last seven years prior to RFP issuance date) in obtaining financing commitments for real estate development projects, detailing type of project, financing source and amounts committed;
- Two bank references for the developer and the financial equity partner, if any;
- Financial statements for the past three years prior to the RFP issuance date from developer and each participating principal, partner or co-venturer, that includes the value of the assets each participant would contribute to the proposing entity and verifications that such assets are available. The financial statement may also include any additional information that will be useful in evaluating the developer's financial reliability and past ability to finance projects. (If audited financial statements are not available, please provide certified financial statements. All statements [audited or certified] must be in accordance with Generally Accepted Accounting Principles);
- For developer and development team, a statement regarding any debarments, suspensions, bankruptcy or loan defaults on real estate development projects and/or government contracts;



- A statement describing the expected equity requirements and sources, the anticipated sources of working capital, and the anticipated sources for financing the project, including its source of construction financing; and
- For developer, financial/equity partners include all projects underway, indicating for each project, the status (% completed to date), size and scope, cost, developer equity, financial guarantees and role of developer or financial equity partner.

Complete Matrix A (Appendix B) to provide background on the developer's portfolio and management responsibilities over the past 10 years;

The most current report from Dun & Bradstreet or other recognized credit-reporting service for each participating principal, partner or co-venturer, or any relevant business.

Section 4: Developer's Financial Offer and Supporting Financial Information. The objective of this factor is to evaluate the developer's financial offer to GSA to ensure that it enhances present value revenues to the United States. GSA will review the supporting financial information of the financial offer to determine the reasonableness of the financial offer. Financial offers must include and document all input assumptions.

The standard for evaluation of Financial Offer and Supporting Financial Information is met when the developer and its financial/equity partner, if any, realistically demonstrate that the financial offer enhances present value revenues to the United States. The Financial Offer will be evaluated based on each developer's pro forma analyses and supporting documentation.

A. The pro forma analyses will include:

- Pro Forma analyses using a general assumption of a two-year construction period and 10 years of operation for cash flow modeling, with residual sale in year 11, and developer's own assumptions on discount and capitalization rates;
- Developer's pro forma solving for maximum supportable residual land value and a value for the existing buildings for Project Value;
- Developer's documented assumptions for development costs, revenues, operating expenses, discount rate and capitalization rate assumptions; and,
- Land Value discounted at 6.00% to today's dollars to establish NPV

B. The Financing Plan with Summary of Sources, Financing Mechanisms and Uses of Funds will describe the financing plan for the project and provides a summary of all sources, financing mechanisms, and uses of funds through the pre-development and development stages to and including stabilized operation. All equity, debt and subsidized sources of incomes are to be identified. The description must include general terms for all the financing sources. For the developer's RFP response limit sources to private equity and debt, and financing mechanisms such as tax-exempt bonds, low-income housing tax credits, historic credits and tax increment financing.

C. The Cash Flow Pro Forma for Land Lease will provide an annual cash flow Pro Forma that covers all sources and uses of funds. The cash flow Pro Forma must include the construction period of two years plus 10 years of operation after construction completion. The Pro Forma must include sufficient line item detail, i. e. market-based documentation, for all sources of revenues, as well as operating expenses, debt service, capital reserves, etc. Cash flow Pro Forma,



inclusive of all input assumptions, must be submitted as part of the developer's RFP response. The Pro Forma must provide a projected internal rate and return on equity.

The following general assumptions must be adhered to:

- Construction Start Date – March 1, 2014. All Pro Forma must commence on the assumed construction date and must be based on a calendar year analysis. The date is assumed for the purpose of consistency among the Pro Forma only and is not meant to imply a projected delivery date;
- 2.5% per year general inflation after 2014;
- All other assumptions to be supplied by the developer, unless otherwise indicated.

Provide letters of interest to provide written evidence of: a) ability to obtain all equity and debt funding based on the concept proposed and the economics presented; and b) ability and willingness to finance the purchase or lease of the property in accordance the schedule established by GSA. In the letters of interest, sources of financing and equity must state their interest in the project, the amount of financing/equity, terms, rates and contingencies.

Financial/Equity Partner Identification: If there will be an equity partner and that partner has been identified, provide the following:

- Name and address of the proposed equity partner(s);
- Prior experience of the developer with the proposed equity partner (s); and
- Letter of interest from the proposed equity partner(s).

Section V. Developers Purchase Price. Offerors are required to submit an upfront purchase price (based on their highest and best use), for the Old Post Office building, land and Pavilion Annex ("OPO") inclusive of ownership and cost of operation of the clock tower which must remain open with access to the public. The offer will assume historic preservation requirements by covenant. However, as the OPO is not authorized for sale, this upfront offer will not be evaluated in the OPO RFP process.

### **VIII. Statement of Limitations**

1. The GSA represents that this RFP, submissions from developers to this RFP, and any relationship between GSA and developers arising from or connected or related to this RFP, are subject to the specific limitations and representations expressed below, as well as the terms contained elsewhere in this RFP. By participating in the selection process, developers are deemed to accept and agree to this Statement of Limitations. By submitting a response to this RFP, the developer acknowledges and accepts GSA's rights as set forth in the RFP, including this Statement of Limitations and any Appendices. RFP means all the documents included herein, including any Appendices and drawings.
2. GSA reserves the right, in its sole discretion, without liability, to accept or reject any or all the RFP responses, and to develop and operate the OPO site, in whole or in part, outside this selection process. This RFP shall not be construed in any manner to create an obligation on the part of GSA to enter into any agreement, nor to implement any of the actions contemplated herein, nor to serve as the



3. GSA reserves the right in its sole discretion to hold discussion with, to obtain information from, to request presentations from, and to conduct negotiations with, any or all developers that GSA deems appropriate in its sole discretion. GSA reserves the right, as it deems its interests may require in its sole discretion, to accept or reject any or all submissions, to waive any informality, informalities or nonconformity in the submissions received, and to accept or reject any or all items in a submission.

4. Failure to respond to any of the items required by this RFP could result in a developer's RFP response being rejected. In any and all events, the GSA shall not be liable for any costs associated with the preparation, clarification, or negotiation of responses submitted to this RFQ.

5. GSA makes no representations or warranties whatsoever with respect to this RFP or the site including, without limitation, representations and warranties as to the accuracy of any information or assumptions contained in this RFP or otherwise furnished to developers by the GSA; the use or progress of the development of the site, or any portion thereof; site and environmental conditions on the site; or the suitability of the site or any portion thereof for any specific uses or development. Developers shall make their own analysis and evaluation of all aspects of the site, including without limitation, the income potential, profit potential, expenses and costs of development of the site. Developers shall not rely upon any statement or information given the developers by GSA including, without limitation, any information contained in or supplied in connection with this RFP. Solely as a matter of convenience to developers, GSA is making available certain surveys, title reports, engineering, environmental and other information relating to the site. GSA does not make and hereby disclaims any representation, warranty or other statement regarding the accuracy, sufficiency, or correctness of any such information, and hereby advises all prospective developers to obtain, examine, and independently verify all such information to the extent that they deem necessary or desirable for their purposes. GSA does not accept, and hereby disclaims, any liability to any person or entity as a result of the information provided by GSA, whether or not such person or entity does or does not submit a response to this RFP.

GSA disclaims any liability for any damage to reputation or interference with ongoing negotiations or contracts, or any other liability whatsoever, based on the selection process pursuant to this RFP, GSA's investigation of the experience and qualifications of any developer, and GSA's discussions, dealings, or negotiations with one or more of the most highly qualified developers, or the termination of any such discussions or negotiations. By submitting responses to the RFP, each developer hereby irrevocably acknowledges, accepts and agrees to the disclaimers of liability set forth above.

6. In determining the most highly qualified developers to the RFP stage, GSA will exercise its best professional and business judgment and ensure the integrity of the selection process. GSA reserves the right to exercise fully its discretion in interpreting and applying the selection criteria and in making its selection.

7. GSA does not represent that its requirements meet the requirements of the D.C. Code or the D.C. Municipal Regulations. Compliance with GSA's requirements for the site should not be construed to mean compliance with requirements of other governmental authorities. Any project resulting from



this selection process must be in compliance with all applicable Federal and city laws, statutes, ordinances, and regulations, including environmental and historic preservation requirements.

8. GSA makes no representations regarding the character or extent of soil or other subsurface conditions, utilities or hidden conditions that may be encountered during the course of project construction. Each developer must make its own conclusions concerning subsurface and other hidden or latent conditions that may affect the methods or costs of construction and redevelopment. The GSA makes no representation or warranty concerning the truth, accuracy or completeness of environmental information provided about the site.

9. The requirements and prohibitions of 18 U.S.C. § 201 and 31 U.S.C. § 1352 are applicable to the selection process.

10. GSA reserves the right to retain all the materials and information, and the ideas, suggestions therein, submitted in response to this RFP. All such materials, information, ideas and suggestions retained shall become the property of GSA. 11. The GSA reserves the right to: (a) modify, and/or suspend any and all aspects of this RFP; (b) request additional information; and (c) waive any defects as to form or content of this RFP or any responses submitted thereto.

11. No claims for broker's fees will be paid by the GSA.

12. Developers submitting business information pursuant to this selection process should consult 41 C.F.R. Part 105-60 and other implementing regulations concerning the release of such information to third parties pursuant to the Freedom of Information Act ("FOIA"). **All information submitted by developers that they consider confidential and not releasable to third parties outside of GSA, and its employees, agents, consultants and representatives must be clearly and conspicuously so marked.**

14. GSA intends to disclose developer submissions received in response to the RFP to non-governmental evaluators. Each evaluator will sign and provide forms to GSA entitled "Conflict of Interest Acknowledgment and Nondisclosure Agreement" and "Receipt of Sensitive Information."

## **Appendices and Exhibits**

### **Appendix A – Legal and Regulatory Requirements and Approvals**

There are various legal and regulatory requirements and approvals that may be required prior to execution of the Lease Agreement between GSA and the Selected Developer. Although these requirements and approvals may vary with different transaction structures, below is a summary of requirements and approvals for information purposes.

#### **A. National Historic Preservation Act of 1966 (as amended) ("NHPA") Requirements**

The land and buildings comprising OPO are listed in the National Register of Historic Places. Depending on the nature and extent of the preferred developer's proposed development plan for the OPO site, and the effects that this undertaking (including, and without limitation, demolition, renovation and rehabilitation) might have on the historic property, further Section 106 compliance



The land and buildings comprising OPO are listed in the National Register of Historic Places. Depending on the nature and extent of the preferred developer's proposed development plan for the OPO site, and the effects that this undertaking (including, and without limitation, demolition, renovation and rehabilitation) might have on the historic property, further Section 106 compliance may be required. Developers shall provide information as required by GSA to comply with the NHPA requirements. Moreover, Lease for conveyance of the OPO site must contain appropriate covenants required under Section 106 and its implementing regulations 36CFR Part 800. The Land Lease for conveyance of the OPO shall be subject to protective covenants running with the land.

B. National Environmental Policy Act of 1969 (as amended) ("NEPA") Requirements. GSA shall undertake a review of the development of the OPO in accordance with NEPA, 42 U.S.C. 4321 *et seq.*, and its implementing regulations. Potential environmental impacts and mitigation measures will be identified as part of GSA's review of the development of the OPO under NEPA. A draft EA will be prepared using the Preferred Selected Developer's RFP submission. NEPA public scoping process will be used to determine the scope of the NEPA review.

HR 5001 directs GSA to put the OPO to its "highest and best use." The action alternative to be analyzed in the Draft EA will be the use proposed by the Preferred Selected Developer as that proposed use would represent the "highest and best use" for redevelopment of the OPO in compliance with HR 5001. Information from the response to the RFP, specifically information contained in Section 2 of the submittals, may be disclosed in public NEPA documents such as the draft EA, Final EA or other NEPA public documents. Negotiations after the RFP will include a developer's ability and willingness to resolve impacts and implement mitigation measures identified during the NEPA process.

There is no contractual obligation or duty of any kind on the part of the Government to complete a review under the National Environmental Policy Act, 42 U. S. C. 4321 *et seq.* The Government may, at any time and in its sole discretion, elect not to pursue or otherwise issue the environmental document necessary to complete the NEPA process. The developers waive any and all causes of action of any kind in law or in equity against GSA arising out of or relating to the NEPA process.

Developers are advised that the Government may be required to release certain information from the response to the RFP in public hearings or in public NEPA documents. The Government shall inform the Preferred Selected Developer of specific information that may need to be released before information is posted. Developers shall provide information as required by GSA to comply with the NEPA requirements.

#### C. Additional Requirements

PSD agrees, with respect to any contract entered into by PSD during the term of the lease agreement for construction, alteration and/or repair of or to the OPO, that if entered into by the United States would be subject to the Davis-Bacon Act, 40 U.S.C. §§ 3141 *et seq.*, to require its contractor(s) under such contract to comply with all provisions of the Davis-Bacon Act; the Vietnam Era Veterans Readjustment Act of 1972, 38 U.S.C. §4211; and the Rehabilitation Act of 1973, 29 U.S.C. §705; including all implementing regulations issued there under, to the same extent as if such contractor(s) had contracted directly with the United States.

#### D. Socio-Economic Requirements

The PSD agrees on behalf of itself, its successors and assigns that it and its successors and assigns shall not discriminate against any individual or business entity on the basis of race, color, gender,



disability, religion or national origin in (i) the use, occupancy, or lease of the OPO site; (ii) the selection of construction subcontractors, vendors or suppliers; or (iii) any employment practices with respect to employees employed at or in connection with the OPO site.

#### E. Flood Plain Requirements

Redevelopment of the OPO Site is subject to applicable federal and District property use restrictions (such as Executive Order 11988 and Title 20 DCMR Chapter 31).

#### F. National Capital Planning Commission ("NCPC") Requirements

Under the National Capital Planning Commission Act of 1952, 40 U.S.C. 71 et seq., NCPC is the central federal planning agency for the federal government in Washington, DC. NCPC reviews the development programs of federal agencies for consistency with the comprehensive plan for federal activities in Washington, DC. GSA must advise and consult with NCPC about the Developer's proposed plan for the OPO Site and consider NCPC's views about the Developer's proposed plan.

#### G. Environmental Remediation Liabilities and Responsibilities

Prior to any transfer of the OPO site, GSA will provide the notice and additional information required under Section 120(h) of the CERCLA as amended in the form and manner prescribed by applicable law.

### Appendix B— Sample Documents

#### A. Historic Property Architectural Preservation Covenant

Grantee hereby covenants for itself, its successors and assigns, and every successor-in-interest to the Property hereby conveyed, or any part thereof, at all times to the District of Columbia State Historic Preservation Officer (SHPO) that the Property is hereby conveyed subject to the conditions, restrictions and limitations hereinafter set forth, which covenants are running with the land.

1. Grantee shall preserve and maintain the Property in a manner that preserves and maintains the attributes that contribute to the eligibility of the Property for inclusion in the National Register of Historic Places. Such attributes include, without limitation, exterior features (including facades and fenestration, scale, color, materials, and mass), interior features determined historically significant in consultation with the SHPO, and views from, to, and across the Property.
2. Grantee shall preserve and maintain the Property in accordance with The Secretary of Interior's Standard for Treatment of Historic Properties and Guidelines as agreed upon and executed in the terms of the PA. No construction, alteration, rehabilitation, remodeling, demolition, disturbance of the ground surface, or other action shall be undertaken or permitted to be undertaken that would potentially affect the exterior of the structures and architecturally or historically significant interior features as determined in consultation with the SHPO without the prior written permission of the SHPO, or his duly authorized designee.
3. Upon acquisition of the Property, Grantee shall promptly take commercially reasonable actions to secure the Property from the elements, vandalism and arson, and shall undertake any stabilization that is necessary to prevent deterioration. Grantee will make every effort to retain or reuse, to the extent reasonably practicable, the historic structures.
4. Prior to any ground disturbing construction activities in areas of the site, Grantee shall conduct archaeological investigations in those areas.



5. In the event that archeological materials are encountered during construction or ground-disturbance activities, work shall cease in the immediate area until the SHPO is consulted and provides written permission to recommence work. Should the SHPO require, as a condition of the granting of such permission, that Grantee conduct archaeological survey data recovery operations or other activities designed to mitigate the potential adverse effect of the proposed activity on the archeological resources, Grantee shall at its own cost and expense conduct such activities in accordance with the Secretary of the Interior's Standards and Guidelines for Archaeological Documentation (48 FR 447344-37) and such other standards and guidelines as the SHPO may specify, including, but not limited to, standards and guidelines for research design, field work, analysis, preparation and dissemination of reports, disposition of artifacts and other materials, consultation with Native American or other organizations, and re-interment of human remains.
6. The Grantee shall allow the SHPO or his duly authorized designee, at all reasonable times and upon reasonable advance notice to Grantee, to inspect the Property in order to ascertain whether Grantee is complying with the conditions of this preservation covenant.
7. The Grantee shall provide the SHPO with a written summary of actions taken to implement the provisions of this preservation covenant within one (1) year after the date of the transfer of the Property. Subsequent to this time, the Grantee shall provide the SHPO with such other written documentation regarding Grantee's implementation and compliance with the preservation covenant as the SHPO reasonably requires.
8. In the event of damage to all or substantially all of the Property resulting from casualty loss to an extent rendering repair or reconstruction of the Property impracticable, this covenant shall remain in full force and effect, and the design and plans for construction of suitable replacement structures shall be subject to the prior written approval of the SHPO.
9. Failure of the SHPO to exercise any right or remedy granted under this preservation covenant shall not have the effect of waiving or limiting the exercise by the SHPO of any such right or remedy, or the invocation of such right or remedy at any other time.
10. In the event of a violation of this covenant, and in addition to any remedy now or hereafter provided by law, the SHPO may, following reasonable notice to Grantee, institute suit to enjoin said violation or to require the restoration of the Property. The successful party shall be entitled to recover all costs or expenses incurred in connection with such a suit, including all court costs and reasonable attorney's fees.
11. The acceptance of the delivery of the Lease conveying the Property shall constitute conclusive evidence of the agreement of Grantee to be bound by the conditions, restrictions and limitations, and to perform the obligations set forth herein.
12. This preservation covenant shall be binding on Grantee, its successors and assigns, and every successor-in-interest to the Property hereby conveyed, or any part thereof, in perpetuity. The restrictions, stipulations and covenants contained herein shall be inserted by Grantee, its successors and assigns, and every successor-in-interest to the Property hereby conveyed, or any part thereof, verbatim or by express reference in any deed or other legal instrument by which it divests itself of either the fee simple title or any lesser estate in the Property, or any part thereof.